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ADMITTED TO PRACTICE IN:
ARIZONA, COLORADO, MONTANA,
NEVADA, TEXAS, WYOMING,
DISTRICT OF COLUMBIA

July 17, 2008

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

JUL 21 2008

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Re: Tucson Electric Power Company
Docket Nos. E-01933A-07-0402 and
E-01933A-05-0650

To Whom It May Concern:

Enclosed for filing in the above-referenced dockets as a part of late-filed Mesquite Exhibit No. 4 are the original and fifteen (15) copies of a letter from Leesa Nayudu of Semptra Generation providing certain information in response to a request Commissioner Mayes made of Ms. Nayudu during the hearings on July 11, 2008. As you will note, copies of the enclosed letter and this transmittal letter are contemporaneously being transmitted to each member of the Commission, Administrative Law Judge Rodda and all parties of record.

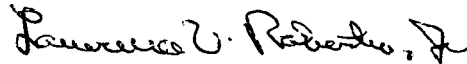
Late-filed Mesquite Exhibit No. 4 was also reserved for certain information to be provided by Greg Bass of Semptra Energy Solutions LLC in response to another request made by Commissioner Mayes during the hearings on July 11, 2008. Due to certain of the individuals with whom Mr. Bass needs to confer being on vacation at present, it may be a week or two before he will be able to obtain all of the information he needs in order to respond to Commissioner Mayes' request. At that point in time, Mr. Bass and I will be in a position to determine what portion of his response is non-confidential and non-proprietary in nature, and thus can be filed with Docket Control as a matter of public record, and that portion which is confidential and proprietary in nature, and thus will need to be submitted on a confidential basis. In that regard, I am in the process of conferring with the Commission's Legal Division with regard to the procedure which should be used for the submission of confidential and proprietary information.

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Once Mr. Bass has obtained the aforesaid information from those individuals with whom he needs to confer, and he and I have determined that portion of his response which is confidential and proprietary in nature, and that portion which is not, I will proceed making the appropriate filings with Docket Control and on a confidential basis, respectively.

Please advise me in the event you have any questions regarding the above. Thank you in advance for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence V. Robertson, Jr.", with a stylized flourish at the end.

Lawrence V. Robertson, Jr.

cc: Chairman Gleason
Commissioner Mundell
Commissioner Hatch-Miller
Commissioner Mayes
Commissioner Pierce
Administrative Law Judge Jane Rodda
Parties of Record
Leesa Nayudu
Greg Bass



Leesa Nayudu
Director – Origination

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July 16, 2008

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RE: TEP Rate Case Cross Examination – Follow-up to Commissioner Mayes' Question

Dear Larry:

This letter is being provided to you with the understanding that you will file the original and fifteen (15) copies of the same with the Arizona Corporation Commission's Docket Control in the currently pending Tucson Electric Power Company rate case proceeding; and, with the further understanding that you will provide copies to Commissioner Mayes, Administrative Law Judge Rodda and all parties of record.

Upon reflection, I think I can answer Commissioner Mayes' question directly and without the necessity of disclosing confidential or proprietary information by stating that, in reviewing recent indicative forward wholesale electricity market price quotes, it is my opinion that, if one could purchase the same quantity of the same product on the same day from the same counterparty for 2008 and 2009, I would not expect there to be any price or "rate" increase (or 0% increase) between 2008 and 2009. In my opinion, the forward wholesale electricity price curve is currently slightly downward sloping or "backwardated," which means that prices appear to be decreasing slightly in future years compared to current wholesale electricity prices.

Having said as much, however, I would urge caution in extrapolating this opinion to other conclusions, as prices can be significantly affected by the timing, quantity and type of products purchased in dynamic commodities markets. I hope this answer helps clarify my previous reply and is both helpful and responsive to Commissioner Mayes' request.

Sincerely,

A handwritten signature in cursive script that reads "Leesa Nayudu".

Leesa Nayudu
Director – Origination